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ZNR UUUUU ZZH
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FM AMEMBASSY KABUL
TO RUEHC/SECSTATE WASHDC PRIORITY 4735
INFO RUCNAFG/AFGHANISTAN COLLECTIVE

UNCLAS SECTION 01 OF 02 KABUL 000126

SENSITIVE
SIPDIS

E.O. 12958: N/A

TAGS: [ETRD](#) [EFIN](#) [EAID](#) [ECON](#) [PREL](#) [AF](#)

SUBJECT: BMTF/DHS meeting with Finance Minister Zakhilwal

¶1. (SBU) Summary: In a December 20, 2009 meeting, Border Management Task Force Director Ortiz met with Finance Minister Zakhilwal and Deputy Minister Sabit to provide an overview of the current mission set and incoming DHS elements and to discuss the Minister's vision to take the Customs Department to the next level. Minister Zakhilwal advised that Minister of Interior Atmar is a close friend, which would lead to progress on border issues. Reiterating his support for current BMTF projects, Zakhilwal related his appreciation for the Ambassador's support to the Finance Ministry and Afghan Customs Department through the BMTF program and welcomed the addition of incoming DHS personnel as partners in customs reform and enforcement efforts. End Summary.

BACKGROUND ON CUSTOMS ACADEMY

¶2. (SBU) Relating that the Grand Opening of the Customs Academy would be on January 19, BMTF Director advised that the academy will continue training similar to the December 6 Bulk Cash Smuggling (BCS) seminar. Minister Zakhilwal was pleased that the Academy would open in January and encouraged establishment of a permanent facility. BMTF Director responded that the intent was to expand the Afghan National Customs Academy (ANCA) to include specialty training similar to the BCS seminar and leadership schools for his officers. He expressed appreciation for the international flavor of the ANCA Cadre and looked forward to the Opening Ceremony.

MENTORING

¶3. (SBU) BMTF Director advised Minister Zakhilwal that the mentoring program would be expanded to include the Kabul HQ, Airport, additional Border Crossing Points, and Inland Customs Depots. Zakhilwal responded that he believed the Customs mentors provided guidance and direction his agencies needed and welcomed the oversight. The Minister asked that mentoring also include the Kandahar Airport and other sites outside of Torkham and Islam Qalah. BMTF has a projected force lay-down based upon priorities and will be routing this document through the front office for validation.

EQUIPMENT

¶4. (SBU) Upon hearing that BMTF/DHS will be delivering equipment and field training via the Customs and Border Protection Officers assigned to the DHS office and will facilitate dedicated EXBS equipment to the field, the Minister asked that his officers be provided the tools and resources not only to conduct inspections but also to improve the flow of commercial traffic.

INFRASTRUCTURE

¶5. (SBU) BMTF Director advised the Minister of his intent to seek additional funding for Zaranj and Andkhoy border points based upon Zakhilwal's September 30, 2009 letter to Ambassador Eikenberry and

the Ambassador's response. He expressed appreciation for the Weesh/Chaman border project, adding that he understood land acquisition remained an issue and volunteering that he would intervene with Minister of Agriculture Rahimi and President Karzai to ensure the project stayed on track. BMTF Director said he has been coordinating with the Director General Customs Bismellah Kammawie, hoped to have the land finalized within four weeks, and planned to implement a new process during the Weesh/Chaman project to include the establishment of a Project Delivery Team (PDT) to design and construct the Border Control Point. The PDT will be comprised of Afghan Customs and Border Police Managers and international partners supporting the project. Ownership, efficient design, and a serviceable facility are the delivery goals of the PDT process, the BMTF Director explained. The Minister expressed appreciation for our plan.

STRATEGIC GUIDANCE

¶6. (SBU) Minister Zakhilwal reported that he has been designated lead GIROa representative at the January 28 London Conference, adding that he wanted to include border issues and Customs Department reform in the preparatory papers. He maintained that this agency had the most potential and met the criteria on the reform agenda. The Minister insisted that while the customs department is plagued by corruption, it could be reformed with international support. Zakhilwal specifically stated that he would like USG assistance in the customs area the months between the London and Kabul Conferences and expressed hope that we would help develop benchmarks and requirements based upon USG knowledge of Customs processes. Included in the discussion was the upcoming plan

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to implement the World Bank/BMTF Process Mapping initiative, which he considered an excellent starting point to help anti-corruption efforts.

CORRUPTION

¶7. (SBU) The Minister acknowledged that corruption was a huge problem in several areas within the Customs Department. He stressed that transparency was his goal and U.S. ability to assist him through the Internal Audit process would improve his efforts to clean up the Department. BMTF Director responded that integration of the Mobile Verification Teams partnered with the MoI Mobile Enforcement Teams could act as force multipliers. BMTF recommended that DHS/ICE provide support and mentoring for his Office of Internal Audit, as similar initiatives exist with DHS in which ICE has the lead. Minister Zakhilwal welcomed the assistance and urged U.S. mentors to stress "good behavior competencies" when dealing with his officers.

MoF/ACD GOALS

¶8. (SBU) Minister Zakhilwal stated that while Customs Revenue has increased significantly over the last fiscal year, some 35 percent of potential customs revenue was being lost through abuses of the Military Technical Agreement. Stressing that numerous embassies and NGOs were shipping non-exempt goods under the MTA umbrella, he sought BMTF assistance in improving the process. BMTF advised that it was looking at streamlining the process and developing a modern solution to include the Ministry of Commerce facility at Torkham and revamping and training NGOs on filing paperwork for exempt goods. The Minister related the alleged FedEx Corruption case, in which several employees have been accused of smuggling illicit cargo, and similar issues concerning fuel originally destined for ISAF. BMTF Director advised the Minister that discussions and plans to address these issues were underway at the highest levels of the Embassy and ISAF.

¶9. (SBU) Relating that trade across all of Afghanistan's borders is an important issue, the Minister welcomed discussions with Pakistan on border issues. Commenting that existing facilities were not equipped to handle current volumes of trade, he also welcomed BMTF/DHS assistance to facilitate it. He wanted his officers to be more than "revenue collectors," expecting them to be the "deliverers of services" and "brokers of trade." His message was that the commercial community should look favorably upon the Afghan Customs Department as public servants.

Interior/Finance Ministries

¶10. (SBU) BMTF Director expressed interest in seeing the Interior and Finance ministries become more aligned in their enforcement and security efforts along the border. The Minister was advised of the Afghan BCP's dual purpose of commerce and security and the continued coordination as designated in the Memoranda of Understanding signed by both ministries on July 14, 2009 would bring consistency in operations and decrease duplication of effort. Recommendations to begin joint training and cross designation between the Ministries were discussed, with the Minister commenting that this was the correct course of action. Lamenting his inability to discipline officers assigned to other ministries working in the Customs environment, the Minister expressed the view that the Finance Ministry should be the lead at all BCPs.

¶11. (SBU) BMTF Director encouraged the Minister to support a meeting of Afghan ministers to ban/regulate ammonium nitrate and pre-cursor chemicals used to make IEDs. Minister Zakhilwal said he understood the importance of the ISAF-Afghan Counter IED Initiative and offered his ministry's full support to combat this scourge. BMTF Director advised that along with current USG assets, the incoming DHS group would be instrumental in this effort. Zakhilwal welcomed the assistance and stated he would work with both the Interior and Defense ministries to regulate or ban the substances.

EIKENBERRY